# ILLINOIS BUSINESS REVIEW

*A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS*

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## HIGHLIGHTS OF BUSINESS IN MAY

With the exception of seasonal movements, business activity continued at a fairly even level in May. Apparently defense work is expanding at a pace sufficiently rapid to take up the slack caused by reduced operations of non-defense industries. The Federal Reserve index of industrial production showed little change from the April level of 222 percent of the 1935-39 average, although the production of many consumer durable goods turned down. Nevertheless, primary metals production continued at near-record highs; the steel industry during May operated at 103.5 percent of theoretical capacity, producing an average of 2.1 million tons of ingots and castings weekly. Electric power output, a key indicator of industrial activity, ran about 13 percent above last year's all-time high for the month.

### Unemployment at Postwar Low

The number of unemployed in May declined about 6 percent from April, equalling the postwar low of 1.6 million, set during 1947 and 1948 and right after the end of World War II in September and October, 1945. However, since the size of the labor force at that time, 54.5 million, was considerably below the present-day figure, a substantial improvement in the employment picture has taken place.

Civilian employment jumped 1.1 million to a high for the year of 61.2 million. Most of the increase was due to the seasonal expansion in agricultural employment, which provided 0.8 million of the new jobs. Some of the increase in nonfarm employment, also, was due to seasonal factors as construction operations began to expand. Still other openings in retail trade became available with the partial recovery from the post-Easter slump.

### Prices Remain Level

The comprehensive BLS index of wholesale prices showed little change during May, registering a slight decrease of 0.5 percent during the month. Grain prices, which were down 2.1 percent in the month, were largely responsible for the decline. The highly sensitive index of 28 basic commodity prices dropped 3 percent during May, which may point to further declines in other price indexes. Consumers' prices, which generally lag wholesale prices, also seem to have stabilized for the time being. In the month ended April 15, the consumers' price index rose a bare 0.1 percent to 184.6 percent of the 1935-39 average.

Farm prices were down a little more than 1 percent in the month ended May 15. Compared with last May, however, they were up 27 percent. The parity ratio declined 1 point in the month to 108, as prices paid by farmers for goods and services declined only fractionally from the April level.

### Construction Pattern Changes

For the first time since monthly compilation of the data began, outlays for new home building declined from April to May. Although the contraseasonal decline is small, about 3 percent, it portends a greatly reduced level of residential building activity during the peak construction period for the year. The May home building figure is 18 percent below last May, and even greater year-to-year declines are expected in later months in view of the reduced number of housing starts in the early spring and the record home building activity last year.

Despite the decline in residential building, total outlay for new construction rose 6 percent over the April figure, as a result of substantial increases in industrial and military construction and in most phases of nonresidential public construction. An additional consequence of these increases was that the over-all figure exceeded construction activity in May, 1950, by 11 percent.

### Department Store Sales Remain High

Department stores seem to be recovering from their post-Easter slump. In May, the Federal Reserve seasonally-adjusted index of department store sales was up one point from April to 303 (1935-39 = 100); this was 4.4 percent above the volume of sales in May of last year. Increases in sales over April were reported in all Federal Reserve districts with the exception of St. Louis and Minneapolis. In view of the price increases since last year, however, the physical volume of sales is probably below the level of last year.

It is still problematical what effect the Supreme Court's action in declaring the fair trade law unconstitutional will have on sales. In New York City the first full week of a wave of price cuts on previously fair-traded items led to an over-all 25 percent increase in department store sales over the corresponding week of 1950. The jump in sales was not restricted to the fair-traded items, with the result that the increased sales volume more than made up for the price cuts. At the month's end, price cutting on fair-traded items had begun to appear in other cities.

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## Pause on the Way Up

Business sentiment has shifted drastically in recent months. Six months ago it was all shortages, eagerness for goods, and inflation of prices. Now, there are surpluses, buyers are holding back, and price cutting is headline news. Congress is debating the extension of controls. There is even talk of the "terrific" letdown that will occur if military programs are cut back.

A remarkable feature of these psychological flip-flops is that they have taken place in a situation that remained basically unchanged during the entire period. The international situation has continued tense, with prospects for war or peace in about the same balance. The outlook for business is still moderately upward, dominated by the projected rise in the military program. Instability arises mainly from the alternation of excitement and depression.

### What's Behind the Letdown?

The present mild letdown is no more than a reaction from earlier excesses. It is no better as an indicator of what is to be expected than was the severe inflationary pressure experienced some months back.

At the core of the sharp upsurge was anticipatory buying by both consumers and business. Now that we are relaxing, activity is less than it would be if we had not overbought at that time. Consumers who felt that there were things they had to have acted in all possible haste. Now, those needs are satisfied. On the other hand, those who felt they could afford to wait can still afford to wait. Theirs is the sensible attitude that just because there are price ceilings, there is no need to pay ceiling prices. But this, too, is a passing phase.

As important in the earlier upsurge as the efforts of consumers to anticipate future needs were those of business to accumulate larger inventories. In the fourth quarter, accumulation reached an annual rate of $11 billion — anticipating, in effect, a half year's advance in the war program. In the first quarter, the rate of accumulation had dropped back to $8 billion; and since March orders have been cut back to prevent the still higher rates of accumulation that temporarily accompanied the decline in sales.

Further reduction in the rate of accumulation appears to be in order, but there is no reason for over-all liquidation to develop. Just as there never was a need to pursue inventory accumulation with such abandon, there is no need now to liquidate the inventories accumulated. The possibility of liquidation is not ruled out; but as long as the conditions responsible for the accumulation persist, it appears improbable.

At present, inventories are about in line with demand, as measured by long-term relationships between inventories and sales. In the face of a possible emergency, these long-term relationships seem to provide a conservative measure of inventory holdings. Some excess over the normal level would seem to be justified as a kind of insurance against future dislocations and shortages. Moreover, aside from the temporary setback, the trend of demand is still upward, so that future demand will again tend to make inventories look relatively low.

Thus, some further accumulation appears likely, but only at so greatly a reduced rate that no large excess will be accumulated. In the lines where higher production is possible, price risks are great, and business will not attempt to carry large surpluses. In other lines, particularly those where restricted material supplies make shortages inevitable, business will be unable to carry as large inventories as it would like. In other words, there will probably be a tapering off in inventory accumulation, and the reduction will partially offset the stimulating effects of increased military procurement.

### Any Setback Only Temporary

Also working to restrict incomes and demand are the controls designed to curtail nonessential civilian output. These are just now beginning to be effective. Each cutback in consumer durables or residential construction correspondingly offsets higher military spending. In effect, the war program has not been superimposed on the business boom, but has partly displaced booming civilian production on our industrial schedules.

The effect of these cutbacks, together with the reduction in inventory accumulation, has been to bring the advance in industrial production to a halt. Recently, this hesitation has been aggravated by "peace scares." But policies of neither East nor West have changed; and until there is a more definite change, this kind of "peace" can hardly involve a reduction in military programs.

It is true that the pace of war spending grows with crises on the war front or other adverse developments. Although further incidents cannot be predicted at this time, their occurrence cannot be entirely discounted, even if both sides pursue "peace offensives." If no new incidents occur, there may be some reduction in the peak rate attained, but then it is likely that the same volume of war production will be realized over a longer period of time. In that case, the situation will be somewhat more stable, but with the upward movement continuing and the boom more definitely prolonged.

We are, in short, in a period where business activity has temporarily levelled off, and may even fall back briefly. It is a situation in many ways similar to that which occurred in the spring of 1949, and in this case any decline is likely to be just as temporary as it was then.

Whatever the course of events in the next few months, the upward movement seems likely to be resumed by the end of the year. Profits in the last quarter will probably be down from the year before, mainly because the stabilization of prices will eliminate the large element of inventory revaluation. Otherwise, they will probably be the highest ever; and even though tax rates are increased, the funds actually available for dividend distribution or capital purposes may well be higher. The outlook, in brief, is favorable — for business and for the securities markets.

VLB

# SCALES AND BALANCES

Although the manufacture of scales and balances is a relatively small industry, it is one of the earliest recorded in history. Primitive beam-type scales with pans suspended from either end were invented as early as 5,000 B.C., and are still being used in China and India.

The ancient systems of weights utilizing the pull of gravity were so sound and practical that they have remained the basic principles used in modern scale design. Modern superiority in scale manufacturing is not so much the result of ingenuity in design as of the use of improved metal alloys and present-day tools and machinery.

Principles of scale manufacturing may have varied only slightly through the ages, but their applications have been vastly multiplied. Today the scales and balances industry manufactures a great variety of weighing devices. Major types of large scales include coin-operated person weighers, industrial, railway track, and motor truck scales. Among the smaller types are household and postal scales, and laboratory and precision balances.

Scale manufacturing has been greatly expanded during the past ten years. The value of products shipped by the industry was at an all-time high in 1947, almost twice what it was at the previous high in 1929. Factory sales jumped from $14 million in 1939 to $54 million in 1947. In the same period, the number of firms in the industry rose from 56 to 75 and the work force increased by 75 percent to 6,500 employees.

At some time or other nearly everything bought and sold is weighed. There are many kinds of scales designed for special purposes such as weighing mailbags, laundry, tires, hardware, seed, and poultry. Special airport counter scales weigh luggage, and hopper-type automatic weighers are used in packaging and batching operations.

Industrial balances play an important part in determining manufacturing costs and maintaining quality standards of production. This type of scales made up almost half of the total value of scale production in 1947. One-fourth of total scales value came from retail scales, and household and person-weighing scales together accounted for one-sixth.

## The Industry in Illinois

The 1947 Census of Manufactures indicates that Illinois is an important state in the manufacture of scales and balances, providing 20 percent of the product value and almost one-fifth of the total number of firms and employees in the industry. Although the Census does not give a complete breakdown by states for scale manufacturing in order not to reveal data for a few large firms, Illinois probably ranks third in value of products.

The 13 Illinois firms making scales and balances in 1947 employed more than 1,000 workers, and their combined value of product totaled $11 million. The majority of the plants are located in the Chicago area, and most of them specialize in small products such as retail store, household, and postal scales.

Two of the larger scale manufacturers in Chicago are the Borg-Ericksen Corporation, the nation's largest manufacturer of bathroom scales, and the Triner Scale and Manufacturing Company, which is an outstanding manufacturer of mail and parcel post scales for post office and general business use.

## Heavy Industrial Scales

Only a few Illinois firms manufacture scales for industrial use and only one, the Streeter-Amet Company, makes the heavy weighing equipment used by the steel industry and the railroads. Located in Chicago, Streeter-Amet is the leading company in the industry manufacturing the scales used to weigh moving freight, ore, and coal cars, and other moving carriers like the charging cars for open-hearth furnaces.

In motion-weighing, invented by the founders of Streeter-Amet, a track lever located on one rail is depressed by the front wheel of the car to be weighed as it leaves the scale platform. The weight is automatically printed on a tape, speeding the process and assuring accurate, permanent records. As the rear wheels of the car pass over the track, they reset the printer and the weigher is ready for the next car. An average of one car every five seconds can be weighed in motion, greatly reducing weighing time and making the rolling stock involved quickly available for reloading.

In addition to producing motion-weighing equipment used all over the world, Streeter-Amet is also dominant in the manufacture of weight recorders. The company makes both the dials and the tape and ticket-printing mechanisms which are connected to the weight-receiving elements of the scale proper.

## Laboratory Balances

In contrast to the huge industrial devices that can accurately weigh a 600-ton locomotive, the scale industry also manufactures balances capable of registering the mark of a lead pencil. Although only 4 percent of the total value of scale production in 1947 came from the sale of analytical balances, no scientific laboratory could operate without them. This type of scale manufacturing is represented in Illinois by the Central Scientific Company in Chicago, maker of several types of analytical balances as well as of the weights used in their operation.

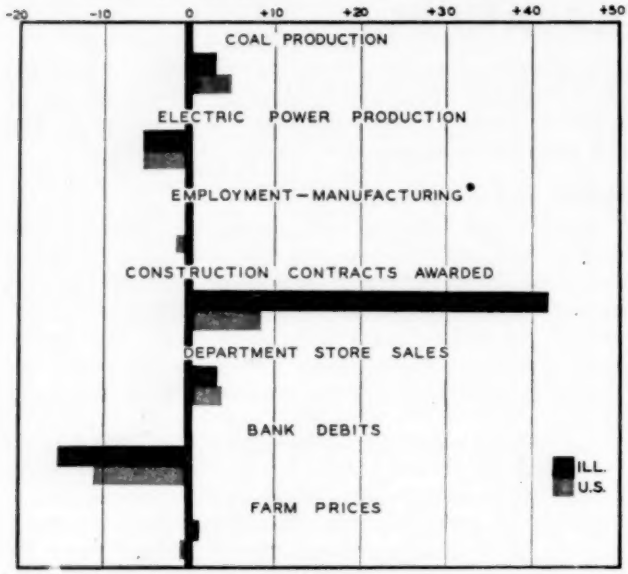
Highly specialized balances are now being produced that can detect the weight of a human hair on a balance pan already containing a 50-pound block of lead. Other tiny weighing instruments, used to weigh oxide films of rust, will register 10 billionths of an ounce. Unlike most analytical balances, which are enclosed in glass cases, these supersensitive scales must be vacuum-sealed in a glass tube and can be read only by means of a microscope.

More and more scales are expected to be designed for use with various automatic devices. By weighing until a predetermined point is reached, they can be made to set off any electronically controlled series of operations. Manufacturers of scales and balances anticipate far-reaching future developments both in the field of electronic weighing and in scale-operated control functions.

# STATISTICAL SUMMARY OF BUSINESS ACTIVITY

## SELECTED INDICATORS

**Percentage changes March, 1951, to April, 1951**




* Figure for Illinois not available.

## ILLINOIS BUSINESS INDEXES

| Item | April 1951 (1935-39 = 100) | Percentage Change from March 1951 | Percentage Change from April 1950 |
|---|---|---|---|
| Electric power[1] | 301.0 | − 5.3 | +13.0 |
| Coal production[2] | 124.8 | + 2.9 | + 2.3 |
| Employment—manufacturing[3] | n.a. | .... | .... |
| Payrolls—manufacturing[3] | n.a. | .... | .... |
| Dept. store sales in Chicago[4] | 234.2[a] | + 3.3 | + 3.6 |
| Consumer prices in Chicago[5] | 189.1[b] | 0.0 | + 9.4 |
| Construction contracts awarded[6] | 702.2 | +41.8 | +29.6 |
| Bank debits[7] | 339.6 | −15.2 | +21.3 |
| Farm prices[8] | 282.6 | + 1.0 | +30.2 |
| Life insurance sales (ordinary)[9] | 220.5 | + 0.4 | +19.2 |
| Petroleum production[10] | 211.5 | − 6.4 | − 5.4 |

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Repts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.
[a] Seasonally adjusted. [b] New series. Old series index for April was 190.0. n.a. Not available.

## UNITED STATES MONTHLY INDEXES

| Item | April 1951 | Percentage Change from March 1951 | Percentage Change from April 1950 |
|---|---|---|---|
| | Annual rate in billion $ | | |
| Personal income[1] | 244.4[a] | + 0.7 | +14.3 |
| Manufacturing[1] | | | |
| Sales | 268.8[a] | − 4.3 | +31.0 |
| Inventories | 37.7[a, b] | + 3.6 | +29.1 |
| New construction activity[1] | | | |
| Private residential | 10.9 | + 7.1 | + 3.3 |
| Private nonresidential | 9.3 | + 6.4 | +29.5 |
| Total public | 8.0 | +21.8 | +31.4 |
| Foreign trade[1] | | | |
| Merchandise exports | 16.5 | + 7.1 | +70.2 |
| Merchandise imports | 12.3 | − 6.8 | +75.6 |
| Excess of exports | 4.2 | +91.2 | +56.0 |
| Consumer credit outstanding[2] | | | |
| Total credit | 19.1[b] | − 1.3 | +14.9 |
| Installment credit | 12.9[b] | − 0.5 | +14.0 |
| Business loans[2] | 19.1[b] | − 0.4 | +42.5 |
| Cash farm income[3] | 22.8 | − 9.5 | +26.7 |
| | Indexes (1935-39 = 100) | | |
| Industrial production[2] | | | |
| Combined index | 222[a] | + 0.0 | +16.8 |
| Durable manufactures | 275[a] | − 0.7 | +23.9 |
| Nondurable manufactures | 199[a] | − 0.0 | +10.6 |
| Minerals | 164[a] | + 3.8 | +17.1 |
| Manufacturing employment[4] | | | |
| Production workers | 168 | − 0.2 | +12.5 |
| Factory worker earnings[4] | | | |
| Average hours worked | 109 | − 0.5 | + 2.8 |
| Average hourly earnings | 263 | + 0.3 | + 9.8 |
| Average weekly earnings | 286 | − 0.2 | +12.8 |
| Construction contracts awarded[5] | 582 | + 8.5 | + 1.8 |
| Department store sales[2] | 302[a] | + 3.8 | + 3.4 |
| Consumers' price index[4] | 185[c] | + 0.1 | + 9.6 |
| Wholesale prices[4] | | | |
| All commodities | 228 | − 0.3 | +20.0 |
| Farm products | 267 | − 0.6 | +27.2 |
| Foods | 235 | − 0.5 | +19.6 |
| Other | 212 | − 0.2 | +17.6 |
| Farm prices[3] | | | |
| Received by farmers | 289 | − 0.6 | +28.2 |
| Paid by farmers | 226 | + 1.1 | +13.2 |
| Parity ratio | 109[d] | − 1.8 | +13.5 |

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.
[a] Seasonally adjusted. [b] As of end of month. [c] New series 184.6; old series 184.5. [d] Based on official indexes, 1910-14 = 100.

## UNITED STATES WEEKLY BUSINESS STATISTICS

| Item | 1951 May 26 | 1951 May 19 | 1951 May 12 | 1951 May 5 | 1951 April 28 | 1950 May 27 |
|---|---|---|---|---|---|---|
| Production: | | | | | | |
| Bituminous coal (daily avg.) thous. of short tons | 1,626 | 1,609 | 1,603 | 1,618 | 1,737 | 1,681 |
| Electric power by utilities mil. of kw-hr. | 6,653 | 6,559 | 6,567 | 6,560 | 6,674 | 5,894 |
| Motor vehicles (Wards) number in thous. | 152.8 | 146.3 | 148.4 | 144.8 | 153.6 | 179.1 |
| Petroleum (daily avg.) thous. bbl. | 6,081 | 6,094 | 6,078 | 6,090 | 6,069 | 5,041 |
| Steel 1935-39 = 100 | 232.0 | 232.7 | 232.2 | 232.9 | 231.3 | 217.4 |
| Freight carloadings thous. of cars | 812 | 809 | 808 | 803 | 825 | 781 |
| Department store sales 1935-39 = 100 | 290 | 285 | 318 | 326 | 293 | 282 |
| Commodity prices, wholesale: | | | | | | |
| All commodities 1926 = 100 | 182.4 | 182.2 | 182.8 | 183.4 | 183.6 | 156.1 |
| Other than farm products and foods 1926 = 100 | 171.1 | 171.2 | 171.4 | 171.6 | 171.7 | 147.6 |
| 28 commodities August, 1939 = 100 | 363.1 | 367.1 | 369.5 | 370.4 | 372.9 | 263.5 |
| Finance: | | | | | | |
| Business loans mil. of dol. | 19,129 | 19,233 | 19,164 | 19,186 | 19,127 | 13,359 |
| Failures, industrial and commercial number | 191 | 171 | 181 | 163 | 162 | 214 |

Source: *Survey of Current Business, Weekly Supplements.*

# RECENT ECONOMIC CHANGES

## Production About Level

Preliminary estimates by the Federal Reserve Board indicate only a slight rise in the level of industrial production during May, with the index up to 223 percent of the 1935-39 base average.

Peak-level steel production was maintained during May, with the expected cutback caused by maintenance needs yet to materialize. An all-time high output of 2,079,000 net tons of ingots and castings, 104 percent of rated capacity, was reached during the week ended May 5; for the month, weekly output averaged 103.6 percent of rated capacity.

Automotive production, which averaged 170,000 vehicles two months ago and more than 150,000 cars and trucks during April, sagged a little more to 147,000 units weekly for most of May. Output is also moving away from automobiles toward trucks; the number of trucks assembled during the month, 138,570, reached the highest level on record.

Even with these declines in automobile output, dealers' stocks of cars are apparently adequate. In fact, reports of lagging sales have been fairly common in various parts of the country. Hudson closed down for two weeks to bring inventories more in line with demand. Manufacturers and dealers are placing much of the blame on Regulation W, which requires a down payment of one-third and 15 months to pay the remainder.

## Upturn in Employment

Employment rose by more than 1.1 million workers in May, largely because of the seasonal expansion in farm work. With 61,193,000 workers on the job, employment reached the highest point since last November. Nonagricultural employment rose more than 300,000, with defense expansions more than offsetting cutbacks in nondefense work. A further decrease occurred in unemployment, which dropped to the lowest level since October, 1945.

Bureau of Census data for May, in thousands of workers, are as follows:

| | *May 1951* | *April 1951* | *May 1950* |
|---|---|---|---|
| Civilian labor force | 62,803 | 61,789 | 62,788 |
| Employment | 61,193 | 60,044 | 59,731 |
| Agricultural | 7,440 | 6,645 | 8,062 |
| Nonagricultural | 53,753 | 53,400 | 51,669 |
| Unemployment | 1,609 | 1,744 | 3,057 |

## Price Declines General

As a rule prices were off somewhat during May. Many of the components of the index of 28 basic commodities declined substantially. The over-all index was down by 3 percent, with import and farm product prices each declining more than 5 percent. The comprehensive BLS index of wholesale prices was better supported, dropping only 0.6 percent from May 1 to May 29.

Farm prices received fell for the third month. Price decreases for meat animals, cotton, and wheat were important factors in a four-point drop from 309 to 305 (1910-14 = 100). Prices paid also declined, but only from 283 to 282, so that the parity ratio for the month ended May 15 was 108, a further drop of 1 index point.

The consumers' price index was practically unchanged at 184.6 of the 1935-39 average. Minor declines in prices for the food and fuel-electricity-refrigeration groups more than offset slight advances in the other groups.

Movements of farm, wholesale, and consumers' prices since the beginning of 1948 are illustrated in the accompanying chart. This chart is primarily designed to portray recent changes, as absolute levels of the indexes are affected by the base period, 1935 to 1939, when farm prices were relatively depressed. Prices of primary commodities such as farm products also fluctuate more widely than do prices of manufactured and semimanufactured goods, and are therefore relatively high in prosperity periods.

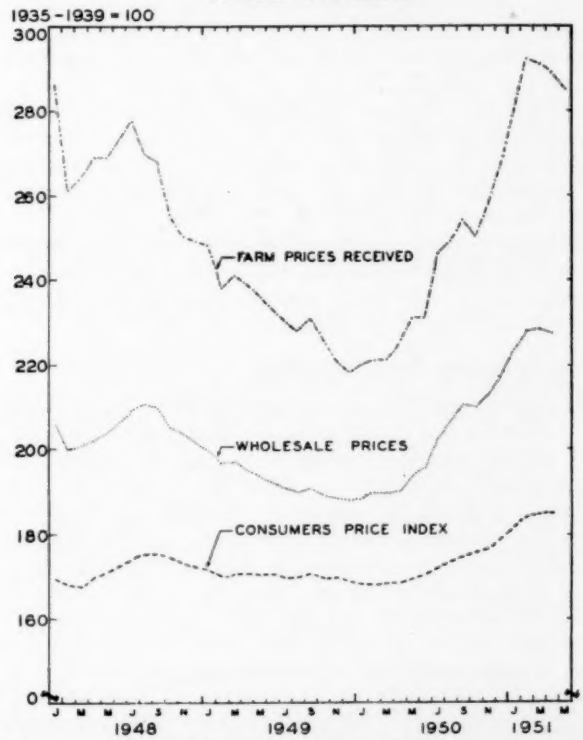
During the period covered, prices fell substantially from their 1948 highs, as the economy became adjusted to a peacetime level of activity, and began to rise at the beginning of 1950, as a new postwar expansion got under way. The rise was, of course, given a sharp boost by the outbreak of war in Korea. In recent months all three price series have leveled off or declined, as the initial strain of the rearmament boom passed.

## Sales Slower

Both manufacturers' and retailers' sales dropped during April from the level of the previous month. Seasonally adjusted retail sales declined 3 percent, to $12.0 billion. About three-fourths of the value decline occurred in durable goods, and was caused largely by falling sales of automobiles. Small decreases were common in nondurable groups; apparel and general merchandise sales were the exceptions, with small increases brought about by promotion campaigns. Although dollar amounts were higher, physical volume of sales was somewhat less than in April, 1950, since prices had increased over the year.

Manufacturers' sales of $22.4 billion during April were down $1 billion from March after seasonal adjustment. Book value of inventories continued to increase and reached $37.7 billion, substantially above the end-

**PRICE INDEXES**




Sources: U. S. Bureaus of Labor Statistics and Agricultural Economics.

of-March level of $36.4 billion. New orders were off more than usual for the season, dropping 17 percent to $23.8 billion. Decreases in durable-goods orders accounted for most of the decline. Nevertheless, new orders for durables exceeded sales, so that backlogs rose $1.7 billion to $46 billion; in contrast, unfilled orders for nondurables fell $300 million to $7.3 billion.

## National Product Continues Rise

Gross national product showed another sharp increase during the first quarter of 1950, rising more than 4 percent to an annual rate of $314 billion. Price increases again accounted for a sizable portion of the gain.

GROSS NATIONAL PRODUCT OR EXPENDITURE

(seasonally adjusted, billions of dollars at annual rates)

| | *1st Qtr. 1951* | *4th Qtr. 1950* | *1st Qtr. 1950* |
|---|---|---|---|
| Gross national product | 313.9 | 300.3 | 263.3 |
| Personal consumption | 204.8 | 195.8 | 182.6 |
| Durable goods | 31.6 | 30.0 | 26.4 |
| Nondurable goods | 110.7 | 104.3 | 97.9 |
| Services | 62.6 | 61.5 | 58.3 |
| Domestic investment | 59.0 | 60.2 | 41.8 |
| New construction | 23.5 | 22.9 | 20.0 |
| Producers' durable equipment | 27.6 | 26.1 | 19.5 |
| Changes in business inventories | 7.9 | 11.2 | 2.3 |
| Nonfarm inventories only | 7.6 | 11.0 | 2.7 |
| Foreign investment | −2.6 | −3.4 | −1.7 |
| Government purchases | 52.6 | 47.6 | 40.5 |
| INCOME AND SAVINGS | | | |
| National income | n.a. | 256.2 | 216.9 |
| Personal income | 241.6 | 234.9 | 216.4 |
| Disposable personal income | 214.9 | 211.6 | 197.4 |
| Personal saving | 10.1 | 15.8 | 14.8 |

About two-thirds of the rise appeared in personal consumption expenditures, which were up $9 billion to $205 billion. It appears that the buying surge of January and February was as highly concentrated in nondurables as in durables; in the first Korea-inspired buying spree last July and August, the larger portion of the increase in consumption spending was for durable goods.

Besides the advance in consumer buying, the other large increase in GNP occurred in government purchases, which rose $5 billion to $52.6 billion. It is to be expected that government buying will take a growing proportion of GNP as deliveries of matériel are stepped up.

Personal income continued to rise, with widespread increases in wage and salary payments. Despite the increases, however, the sharp rise in consumption spending cut the level of personal saving by one-third.

## Fuel and Power Pinch Possible

A pinch in fuel and power appears likely next winter as the mobilization program nears its expected peak demand on the nation's economy. In the main, the fuel squeeze will be as much one of transportation as of production, and could be alleviated substantially by eliminating the summer slump in fuel shipments. To this end the Secretary of the Interior has suggested that consumers fill their oil tanks and coal bins now to take a certain amount of pressure off the transport system in the fall.

In the field of electric-power production, some difficulty may be caused by the inability of the power companies to add capacity rapidly enough to keep up with growing demand. The industry's present large expansion programs are being held up in some places by material shortages. It is expected that defense requirements will tax generating capacity to the utmost next winter, with actual shortages possible in some areas.

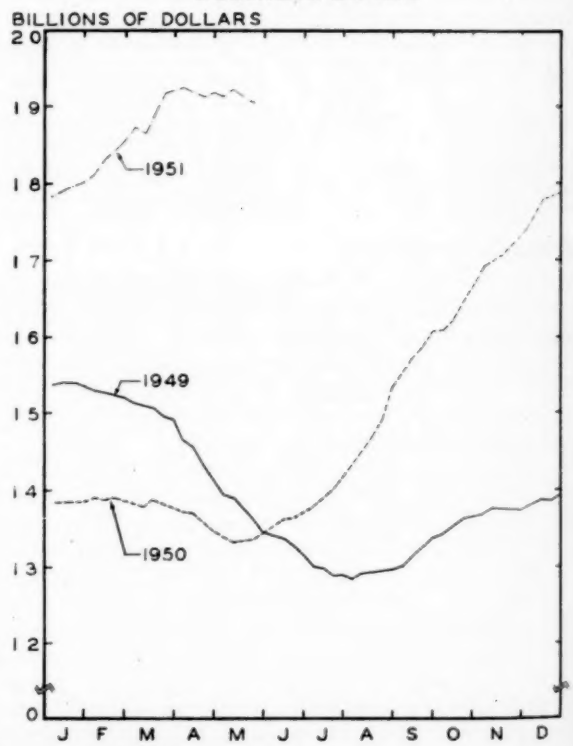
## Fair Trade Laws in Question

A tempest was raised when the Supreme Court decided that the non-signer clause of the Louisiana resale price maintenance law was invalid. The provision in question, which is included in the fair trade laws of a number of states, bound non-signers of price-fixing contracts, as well as signers, to maintain minimum prices on various nationally-traded brands. The Court in its decision termed such arrangements "coercion" and ruled them illegal. Originally the various laws were passed to protect brand-name goods from price-cutting competition, and to protect small merchants from the use of "loss leaders" by bigger competitors who could afford the loss because of their profits on other items. The state laws have always been questioned under earlier Federal antitrust laws, but this is the first time a decision has been made. The most immediate result of the decision was the beginning of a price war in New York City which soon spread to a few other large cities.

## Business Loans Level

Outstanding bank loans to commercial, industrial, and agricultural enterprises continued to range between $19.0 billion and $19.3 billion during May. It may be seen from the accompanying chart that business loans climbed steadily and sharply from May, 1950, to March of this year, and are now at an all-time high considerably above the preceding two years. While loans remained level for a period of ten weeks, totaling a little more than $19.0 billion on May 30, no sign has yet appeared of a spring decline such as occurred in 1949 and 1950. The steadiness of business loans, which are closely connected with inventory levels, probably reflects the caution now being exercised to forestall accumulation of excessive stocks.

**BUSINESS LOANS**




Source: Federal Reserve Board.

# BUSINESS BRIEFS

***PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST***

## Sinclair Aid to Inventors

Sinclair Research Laboratories at Harvey plan to provide technical facilities and skilled personnel for any American with an idea for a better petroleum product or application. The Laboratories, a wholly-owned subsidiary of the Sinclair Oil Company, will test the most promising ideas selected by its directors and guide them from the scratch-pad stage through the final pilot-plant testing. In return for its investment, Sinclair will get use of the invention free of royalties, but the inventor is at liberty to sell his idea in other quarters. Every idea submitted must first be protected by a patent or patent application. The program is expected to uncover new and profitable ideas in the realm of petroleum products that might otherwise go unused.

## New Types of Lighting

A lighting system which delivers daylight evenly throughout a room has been developed by the Engineering Research Institute of the University of Michigan. Instead of windows, hollow glass blocks change the course of light entering a room by directing it upward toward the ceiling, which acts as a huge reflector to diffuse the light evenly over all work surfaces. With conventional windows, daylight is directed downward, and the room area near the window generally receives too much light and the farthest corners not enough. Glass-block lighting is expected to provide better working conditions for occupants of schoolrooms, industrial plants, and office buildings. Although their original installation is more expensive than ordinary double-glazed sash windows, the blocks are less expensive to maintain and have a high insulating factor that allows considerable saving in fuel and air-conditioning costs.

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The Sylvania Electric Company has been experimenting with a lamp which gives off a new kind of "cold" light, similar to outdoor light, and requires no vacuum bulb or tube. Operating on a principle called electroluminescence, the lamp throws out light from an area source, rather than a point or line, which limits its tendency to decrease in intensity and cast shadows. The lamp itself looks like a sandwich, with two plates of glass as the bread. Between the plates is luminescent powder which has the property of glowing momentarily when subjected to electrical force. With a 60-cycle alternating current, the glow is continuous. Commercial production of the lamp is said to be several years away.

## Electric Device Eliminates Type

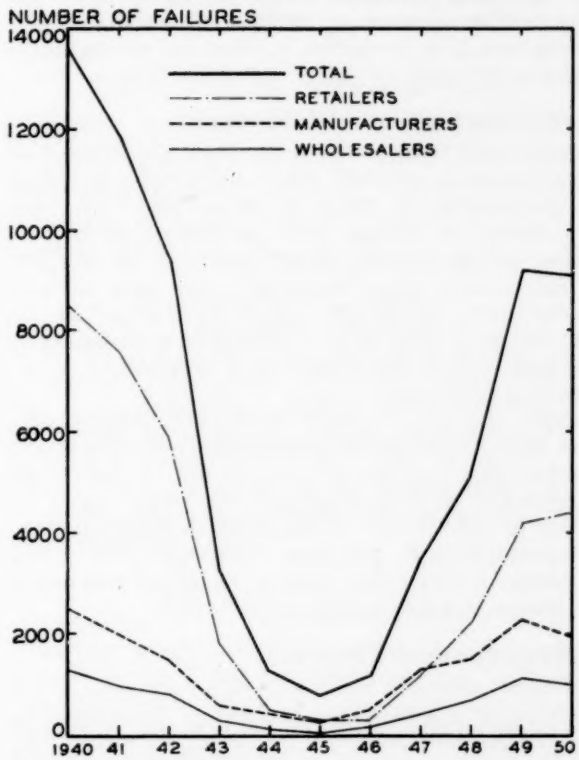
The invention of an electric typewriter device which would allow faster, less costly printing by eliminating all type, linotype machines, and other equipment currently involved in the casting of type, has been announced by the Graphic Arts Research Foundation (Cambridge, Mass.). The typewriter, which is attached to an apparatus approximately the size of two family refrigerators, types the same kinds and sizes of letters as an ordinary machine. Electric impulses change these letters into any size or style of newspaper type preferred. The type comes out complete on photographic film, ready for engraving on a newspaper printing plate.

## Business Failures

Dun and Bradstreet, Inc., has published a booklet entitled *Survival Qualities of American Business.* It states that American enterprises are showing greater resistance to the ills of commercial operations. There are 130 percent more concerns in business today than at the turn of the century, but the current failure rate is only 3.4 per 1,000 concerns in operation, compared with an average of 7.8 failures per 1,000 concerns for the entire period since 1900. Statistics show that a new business meets its biggest obstacles in its first five years. Two out of every three concerns that failed in 1950 had started in business after 1945.

As shown by the chart, the low point in total failures

**BUSINESS FAILURES, 1940-1950**




Source: Dun and Bradstreet.

between 1940 and 1950 came in 1945. By then wartime conditions had weeded out the weak enterprises, and only after a period of peacetime operations made possible the creation of new businesses did the failure rate go up. The trend of total failures is shown to depend mainly on the rise and fall of retail failures. More than 60 percent of all failures in 1940 were retail businesses. This ratio went down to 35 percent in 1945, but by 1950 was up to 48 percent. Failures of manufacturers, on the other hand, rose from 18 percent of the total in 1940 to 35 percent in 1945, and then decreased to 23 percent in 1950.

## Federal Purchasing Directory

A government pamphlet has been released giving a detailed listing of all the principal procurement agencies

(Continued on page 9)

# BUDGETS FOR TAXPAYERS

**GEORGE W. MITCHELL**
**Vice President, Federal Reserve Bank of Chicago**

Probably few taxpayers have ever seen a budget document, either that of the Federal government or of a state, a county, a city, or a school district. Many governments do not even have formal budgets any more than individuals do. Just like such individuals, these governments gauge their spending by what they spent in the previous year or by the cash they have in the till or can borrow from the bank. Even formal government budgets are likely to be extremely limited in approach and to include little in the way of long-range planning, and of a realistic appraisal of resources and responsibilities.

Probably the few taxpayers who have seen a budget document have been little the wiser for it. For although a budget need not be formidable, it is a customary and deliberate policy to make it appear so. Citizens can quickly be discouraged from trying to understand budgets if the relevant facts are buried in detail and appropriation accounting intricacies.

## Budget Objectives and Weaknesses

Briefly, all a budget does is set forth a government's current resources, its fixed short- and long-term obligations, an estimate of expected income from taxes and other sources of revenue, and the anticipated cost of providing services. These simple facts can be recapitulated into a brief paragraph which may have little or much meaning, depending upon the coverage of the budget. But even these simple facts can be made relatively meaningless if they fail to portray a total picture of the government's operation.

Simple summary facts will be the only usable information about the budget if the supporting detail is poorly presented. There may be too much detail, or such detail as is provided may be completely sterile or largely irrelevant. In any event, a citizen won't learn much about his government if he only has a summary fact or two with respect to the dollar total of resources and anticipated income and expenditure.

## Omitting Important Programs

From the viewpoint of citizens, what are some of the outstanding defects of budget documents? Incompleteness is one. To make expenditures appear as low as possible, budget makers have become adept at rationalizing non-budgetary procedures for many types of expenditures. For example, it is common in state budgets to omit any reference to Federal funds, even though this source of revenue will finance as much as 20 percent of total state expenditure. When such funds are excluded from the state budget document, it is impractical as a matter of presentation fully to describe the character of expenditure programs in welfare, in highway construction, or in many other fields where Federal aid supplements state and local funds. The best evidence of this fact can be found in the budgets of those states that omit any reference to Federal aids; they also omit reference to the expenditure of the aids. Such omissions limit the most basic usefulness of the budget document.

So-called earmarked funds are also often omitted from state budgets. In the United States, earmarking of highway funds, fishing and game licenses, and other minor funds is common. The budgeting operation in which revenue sources are earmarked for a particular purpose of expenditure does not encompass a determination of the total amount of expenditure, as that is presumably regulated by the income received; the budget, however, still can indicate detailed activities and specific functions that will be carried on.

These and similar omissions handicap the taxpayer in understanding what his government does if he looks merely to budgetary totals. In the state of Illinois, for example, if Federal funds and earmarked revenues were excluded from consideration, only about half of the present budgetary totals would be shown.

## Splitting Programs by Budget Periods

A second defect in budget documents is their failure to recognize and appraise the longer-run aspects of public expenditure. Very few programs of expenditure are susceptible to sharp contraction or expansion, yet the budget document implicitly assumes a standing start at the beginning of each budgetary period and a finale at the end of that period. The carry-over effects are usually totally ignored. For example, an expansion of the capital plant might conceivably take place within a single budgetary period, but the effects on subsequent operation seldom are considered in the budget for the current period. They should be an integral element in the basic information needed to make an intelligent decision on the projected capital expenditure.

Again, extensions of education and welfare programs based upon known trends in caseloads may imply very important long-run budgetary effects that can be, and are usually, totally ignored in a current budget. Financial aspects of planning governmental operation have become far more than a matter of turning the tap off or on. The forces set in motion by previous public expenditures can be changed significantly only over a comparatively long period of time. This fact needs to be better recognized in the formal presentation of projected expenditure.

## Deficiencies in Presentation

A third defect has to do with several factors that affect the mechanics of presentation — the way the budgetary material is organized, the manner in which it is summarized, the details that are included, the segregation of technical detail, and the significant non-budgetary facts about individual programs. Page after page of tabular material with incomplete heads, and without any descriptive text, and endless tables of object and personnel breakdown do little to enlighten citizens, or even legislators. The major decisions of policy are completely hidden behind and within such detail and cannot be brought to their proper perspective without a major effort.

If the budget document of the Federal government, for example, were set up so that each one hundred million dollars of expenditure took an equivalent number of pages, the resulting document would certainly be astoundingly different from the one in use today. Yet the size of the expenditure is a major determinant in fixing the attention that should be devoted to the consideration of the wisdom of the expenditure.

## Need for Allocating Costs

Probably the most serious defect of budget documents is the fact that they do not tell much about the cost of specific activities and programs. At their very best, they are an extremely crude substitute for a cost accounting analysis, and at their very worst, they give no information as to the cost of a given type of governmental service. For some time efforts have been made to deal realistically with this issue. The Hoover Commission, in its recommendations for reorganization of the executive branch of the government, recognized this problem and urged the use of performance budgeting.

If sound public policy decisions are to be made, the dimensions of public needs must be known, i.e., how many aged to care for, how many students in institutions of higher education, and so on. A reckoning of the resources to meet these needs in units of manpower, materials, and plant is the next budgetary step, and finally the conversion of the physical units into dollars of government expenditure completes the presentation. The budget document will never fully show all elements of cost for every program, because governments do not use depreciation accounting. However, all direct costs and supplemental information with respect to indirect costs can be worked into budgetary presentations.

## Improvement in Budgetary Practice

Probably the greatest progress toward defining objectives on programs and activities has occurred, or is taking place, in the fields of welfare and health. A good deal of first-rate budget analysis accompanies the determination of costs of the categorical programs of public assistance — old age pensions, aid to dependent children, blind assistance, and the like. Progress is also being made in budgeting for hospital care by analysis of costs of feeding, housing, and medical treatment.

A minimum of attention to cost analysis has occurred in the area of higher education, where activities and subfunctions are not subject to cost analysis and there is virtually no public information as to what the taxpayer's dollar will buy. It is quite evident that instructional costs vary markedly from institution to institution and for different classes of students in the same institution. The cost characteristics of higher education should be a part of public information not only to decide what proportion of the taxpayer's dollar ought to be devoted to education but also to determine some of the major areas of emphasis.

The current practice in most of the states is to refer to prior levels of expenditures and assume that little else is germane to the problem. The specification of different educational alternatives and their cost is largely ignored. The time has passed when public education can sell its services to the community on a basis of prestige and prior privileges.

In summary, a first-rate budget document would be a complete plan of receipts and expenditures; it would contain an analysis of programs and of significant functions therein; finally, it would present these data in proper perspective to the over-all sphere of activity. Such a budget is a real tool for the understanding and control of government. While present-day budgets fall short of these objectives, recent developments in budgetary practice, particularly in California, Connecticut, Illinois, and Oklahoma and in several of the municipalities, are encouraging.

# Business Briefs

(Continued from page 7)

in the government other than the Department of Defense. This directory also contains a chart listing the major classes of supplies, equipment, and material which these agencies purchase in sizable quantities. Copies are available without charge from the Chicago and Milwaukee offices of the United States Department of Commerce.

## Largest Plastic Molder Announced

The largest plastics molding machine in the world was recently completed by the Watson-Stillman Company of Roselle, N. J. The new machine has a capacity of 300 ounces in contrast to the 60-ounce injection molder which was the largest size in production in 1949. Similar machines are expected to make possible injection molding of large products such as complete one-piece refrigerator linings, washing machine tubs, television cabinets, bathtubs, and appliance housings.

## Advertising With Premiums

Bantam Books, Inc. (25 West 45th St., New York, N. Y.) recently published an informative digest on "How to Use Premiums in Your Business to Increase Your Sales and Profits." Prepared by the Premium Advertising Association of America, Inc., it gives the answers to 21 questions that businessmen most often ask about premiums.

## Moisture Content

An all-purpose meter used to measure the moisture content of lumber, wood, plaster, and other materials of varying textures and consistencies has been announced by the Weston Electrical Instrument Corp., Newark, N. J. Called the Moisturonic, it can check the moisture content of materials heretofore not readily measured, since it can be used with any material capable of accommodating electrode probes.

## New Aluminum Alloy

A new super-strength aluminum alloy has been developed by the Aluminum Corporation of America that may allow future warplanes to fly faster and farther than ever before. By permitting lighter airframe construction, it would allow the planes to carry an increased number of guns and bombs and more fuel for longer range. The new alloy, said to be 10 percent stronger than the previous highest strength aluminum alloy, is now available only to plane builders for experimental and controlled production.

## Surface-active Wetting Agent

A new surface-active wetting agent with a variety of uses is being made by the Monsanto Chemical Company. Called Santomerse S, the new product produces denser, stronger, and more uniform concrete blocks when added to concrete mix. A so-called "dry" concrete results from the use of approximately 8 ounces of the chemical in a five-bag cement mixture, allowing better dispersion of cement, cleaner equipment, and a lighter colored concrete. The agent can also be employed in household and industrial cleaning compounds, increasing efficiency and allowing the use of less liquid.

# LOCAL ILLINOIS DEVELOPMENTS

Illinois business in April held at about March levels except for seasonal declines in electric power, in steel and petroleum production, and in department store sales.

## Prices

The consumers' price index for Chicago held constant at 189.1 (1935-39 = 100) during the 30-day period ending April 15, the first break in the upward price trend since May, 1950.

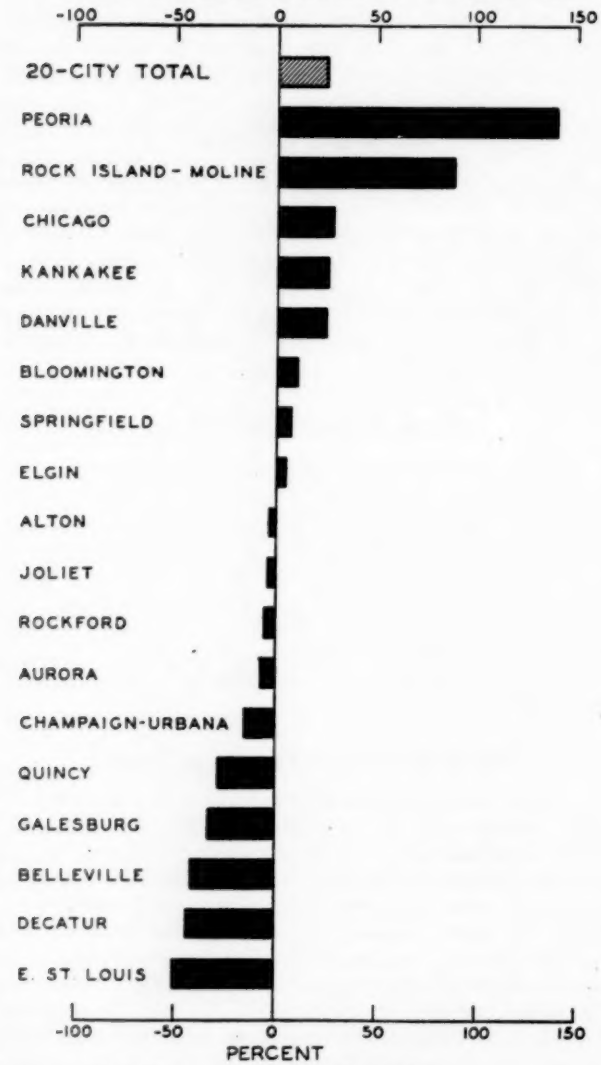
Farm prices moved up again, recovering the slight decline of the preceding month. On April 15, the index of prices received by Illinois farmers was 282.6 percent of the 1935-39 average, 30 percent above last April and the highest point since September, 1948. The parity ratio remained unchanged at 111, as the index of prices paid by farmers also increased during the period.

## Employment

Total nonagricultural employment in the State increased by 0.4 percent during the month, with strong gains recorded in construction and in service and miscellaneous industries. Manufacturing employment dropped 0.8 percent to 1,219,000, with noticeable declines in both durables and nondurables.

Unemployment in the State was at a 2-year low in April, but increased somewhat in early May, when the closing of several large coal mines resulted in large-scale layoffs. Owners reported that the closed mines, most of which have been worked for 40 to 50 years, had become uneconomical to operate in view of the poor coal market.

**VALUATION OF BUILDING PERMITS**
**Percent change Jan.-Apr., 1950 to Jan.-Apr., 1951**




Source: U. S. Bureau of Labor Statistics.

## Steel Production

Steel production in the Chicago industrial area, which has been at record levels during the past year, declined slightly from the record high of 1,646,500 tons in March to 1,609,300 tons in April. This, however, was a record for the month, exceeding the April, 1950, output by 126,200 net tons.

In the St. Louis area, Granite City Steel Company has awarded a contract to Koppers Co., Incorporated, to construct a battery of 27 chemical-recovery coke ovens. It is estimated that the new ovens will carbonize up to 1,830 net tons of coal a day. The company will also improve its coal, chemical, benzol, and coal-handling equipment. A $35 million expansion program for its pig iron and coke plant is under consideration.

## Construction

Construction in the State in April exhibited a sharp seasonal increase, with a total of $117 million in contracts being awarded during the month. This represented a 42 percent gain over March and was 30 percent above the April, 1950, level.

The $21 million in building permits awarded in 20 Illinois cities in April brought the total for the first four months of 1951 to $105 million, 25.0 percent above the same period last year. (See chart.) The average reflects the 28 percent gain in Chicago building permits, which composed approximately 77 percent of the 20-city total. In contrast to last year, most cities reported declines in permit awards during this period, although many of the larger cities showed increases. Peoria had the greatest gain, more than doubling its building permit valuation; Rock Island-Moline was second with an 88 percent increase.

Commonwealth Edison Company of Chicago has announced plans to spend approximately $450 million over the next three years in expanding its plant to meet the growing demands of defense and civilian production. By the end of 1954, the company plans to have increased its productive capacity to 3,722,000 kilowatts, double the capacity prior to World War II. Club Aluminum Products Company has purchased the Chicago plant of the Inland Glass Works Company, and will expand the household products business of that company and manufacture some additional glass products.

The Illinois Terminal Railroad plans to consolidate its repair shops in the State in a new $1 million plant at Edwardsville. The company now has repair shops at Alton, Granite City, and Decatur.

Bransford Fuel Company, wholesale coal company, plans a $3 million coal mining project near Shawneetown. The company has leased mineral rights on about 3,000 acres and will begin work on installations shortly. It expects to produce approximately one million tons annually when peak production is reached.

## COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

**April, 1951**

| | Building Permits[1] (000) | Electric Power Consumption[2] (000 kwh) | Estimated Retail Sales[3] (000) | Department Store Sales[4] | Bank Debits[4] (000,000) | Postal Receipts[5] (000) |
|---|---|---|---|---|---|---|
| **ILLINOIS** | **$21,186[a]** | **850,479[a]** | **$529,978[a]** | | **$10,588[a]** | **$10,410[a]** |
| Percentage Change from... Mar., 1951 | *−52.9* | *−4.2* | *+11.4* | *−6.3* | *−15.2* | *−16.0* |
| Percentage Change from... Apr., 1950 | *−9.0* | *+14.4* | *+43.0* | *−0.2* | *+21.3* | *−4.3* |
| NORTHERN ILLINOIS | | | | | | |
| **Chicago** | **$13,621** | **659,622** | **$394,167** | | **$9,685** | **$8,999** |
| Percentage Change from... Mar., 1951 | *−63.9* | *−5.6* | *+9.8* | *−6.5* | *−15.3* | *−16.7* |
| Percentage Change from... Apr., 1950 | *−11.8* | *+13.2* | *+15.2* | *−0.4* | *+21.5* | *−6.0* |
| **Aurora** | **$ 564** | n.a. | **$7,210** | | **$ 39** | **$ 82** |
| Percentage Change from... Mar., 1951 | *+23.7* | | *+19.2* | *+1.0* | *−14.0* | *−11.8* |
| Percentage Change from... Apr., 1950 | *−44.9* | | *+25.0* | *+5.4* | *+20.5* | *+0.8* |
| **Elgin** | **$ 255** | n.a. | **$5,373** | | **$ 26** | **$ 62** |
| Percentage Change from... Mar., 1951 | *−9.6* | | *+21.1* | *+3.9* | *−14.0* | *−23.6* |
| Percentage Change from... Apr., 1950 | *+30.8* | | *+19.9* | *+14.7* | *+16.1* | *+4.4* |
| **Joliet** | **$ 379** | n.a. | **$9,201** | | **$ 43** | **$ 69** |
| Percentage Change from... Mar., 1951 | *+12.5* | | *+11.9* | *−9.0* | *−17.4* | *−1.9* |
| Percentage Change from... Apr., 1950 | *−34.0* | | *+14.6* | *+8.0* | *+18.1* | *+13.0* |
| **Kankakee** | **$ 260** | n.a. | **$4,514** | | n.a. | **$ 29** |
| Percentage Change from... Mar., 1951 | *−10.0* | | *+15.6* | *−1.2* | | *−12.0* |
| Percentage Change from... Apr., 1950 | *+60.5* | | *+14.1* | *+0.6* | | *−1.0* |
| **Rock Island-Moline** | **$1,805** | **17,292** | **$9,580** | | **$ 31[b]** | **$ 133** |
| Percentage Change from... Mar., 1951 | *+80.3* | *−5.8* | *+10.0* | n.a. | *−15.6* | *+2.3* |
| Percentage Change from... Apr., 1950 | *+87.6* | *+10.2* | *+14.7* | | *+11.3* | *+19.4* |
| **Rockford** | **$ 904** | **27,410** | **$16,046** | | **$ 121** | **$ 181** |
| Percentage Change from... Mar., 1951 | *−26.0* | *+3.4* | *+12.3* | *−5.8* | *−16.7* | *+1.4* |
| Percentage Change from... Apr., 1950 | *−23.0* | *+26.9* | *+26.2* | *−5.2* | *+23.7* | *+8.6* |
| CENTRAL ILLINOIS | | | | | | |
| **Bloomington** | **$ 568** | **4,789** | **$5,379** | | **$ 44** | **$ 85** |
| Percentage Change from... Mar., 1951 | *+67.1* | *−3.7* | *+23.0* | n.a. | *−17.2* | *−17.4* |
| Percentage Change from... Apr., 1950 | *+393.9* | *+9.9* | *+14.7* | | *+17.0* | *+4.7* |
| **Champaign-Urbana** | **$ 175** | **7,552** | **$7,192** | | **$ 45** | **$ 78** |
| Percentage Change from... Mar., 1951 | *−65.0* | *+0.7* | *+20.0* | n.a. | *−15.2* | *−3.5* |
| Percentage Change from... Apr., 1950 | *−47.8* | *+6.9* | *+10.4* | | *+14.6* | *+0.7* |
| **Danville** | **$ 196** | **7,579** | **$5,666** | | **$ 37** | **$ 49** |
| Percentage Change from... Mar., 1951 | *+21.0* | *+10.7* | *+21.4* | *−11.3* | *−14.2* | *+4.5* |
| Percentage Change from... Apr., 1950 | *+27.3* | *+15.6* | *+13.2* | *−0.5* | *+14.0* | *+4.2* |
| **Decatur** | **$ 450** | **18,674** | **$9,070** | | **$ 72** | **$ 91** |
| Percentage Change from... Mar., 1951 | *+359.2* | *+6.6* | *+16.4* | *−6.1* | *−24.4* | *−4.1* |
| Percentage Change from... Apr., 1950 | *−28.1* | *+37.4* | *+12.5* | *−4.9* | *+7.4* | *+10.2* |
| **Galesburg** | **$ 167** | **5,395** | **$4,049** | | n.a. | **$ 28** |
| Percentage Change from... Mar., 1951 | *−12.1* | *−0.5* | *+21.1* | n.a. | | *+19.2* |
| Percentage Change from... Apr., 1950 | *−61.8* | *+22.7* | *+18.8* | | | *+6.9* |
| **Peoria** | **$ 924** | **45,388[c]** | **$17,875** | | **$ 184** | **$ 170** |
| Percentage Change from... Mar., 1951 | *−43.9* | *−3.2* | *+17.0* | *−8.6* | *−12.2* | *−12.4* |
| Percentage Change from... Apr., 1950 | *+0.8* | *+13.5* | *+22.3* | *−3.0* | *+19.5* | *+2.3* |
| **Quincy** | **$ 255** | **7,420** | **$4,744** | | **$ 33** | **$ 64** |
| Percentage Change from... Mar., 1951 | *+63.5* | *+10.1* | *+15.7* | *−8.0* | *−14.2* | *−14.7* |
| Percentage Change from... Apr., 1950 | *−16.9* | *+17.9* | *+9.7* | *−6.0* | *+19.1* | *+4.2* |
| **Springfield** | **$ 353** | **21,434[c]** | **$12,642** | | **$ 76** | **$ 186** |
| Percentage Change from... Mar., 1951 | *+65.0* | *+1.4* | *+16.0* | *−5.2* | *−17.2* | *−7.2* |
| Percentage Change from... Apr., 1950 | *−20.1* | *+11.1* | *+16.7* | *+5.2* | *+11.4* | *+14.4* |
| SOUTHERN ILLINOIS | | | | | | |
| **East St. Louis** | **$ 81** | **12,753** | **$8,819** | | **$ 127** | **$ 44** |
| Percentage Change from... Mar., 1951 | *−37.2* | *+8.3* | *+18.5* | n.a. | *+8.6* | *−16.8* |
| Percentage Change from... Apr., 1950 | *−47.1* | *+54.6* | *+17.3* | | *+35.9* | *+10.3* |
| **Alton** | **$ 142** | **10,566** | **$4,503** | | **$ 27** | **$ 25** |
| Percentage Change from... Mar., 1951 | *+19.3* | *−2.3* | *+15.7* | n.a. | *−15.6* | *+6.2* |
| Percentage Change from... Apr., 1950 | *+14.5* | *+12.2* | *+301.0* | | *+19.8* | *+10.0* |
| **Belleville** | **$ 87** | **4,615** | **$3,949** | | n.a. | **$ 33** |
| Percentage Change from... Mar., 1951 | *+6.1* | *+0.5* | *+16.1* | n.a. | | *−5.6* |
| Percentage Change from... Apr., 1950 | *−42.8* | *+15.7* | *+15.5* | | | *+16.6* |

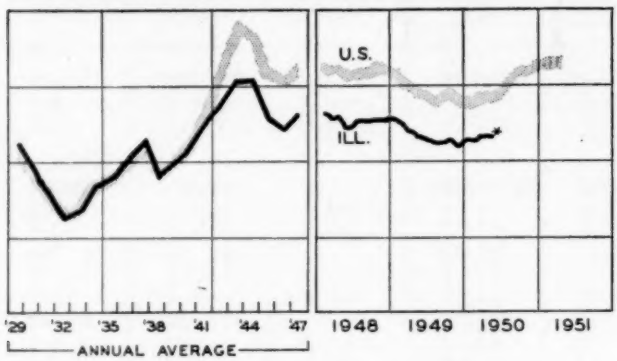
Sources: [1] U. S. Bureau of Labor Statistics. Data include Federal construction projects. [2] Local power companies. [3] Illinois Department of Revenue. Data are for March, 1951, the most recent available. Comparisons relate to February, 1951. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. [5] Local post office reports.

[a] Total for cities listed.
[b] Moline only.
[c] Includes immediately surrounding territory.
n.a. Not avilable.

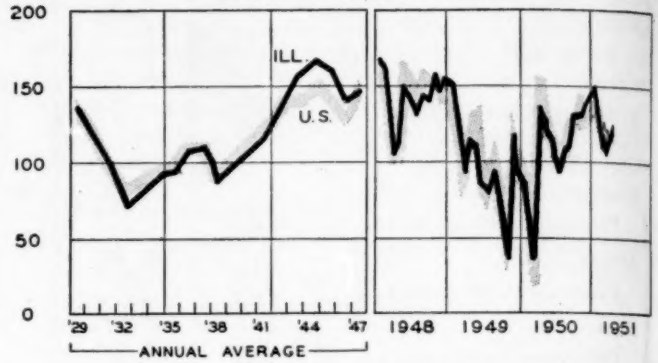
# INDEXES OF BUSINESS ACTIVITY

**1935-1939 = 100**

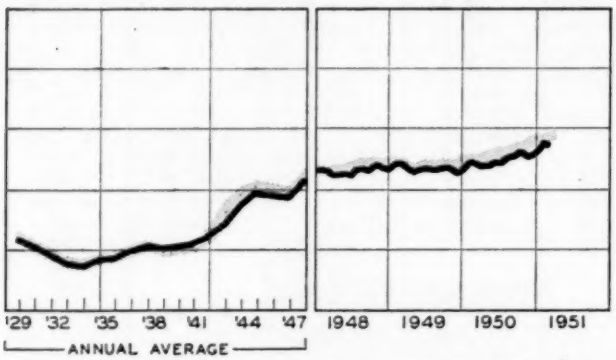
EMPLOYMENT–MANUFACTURING



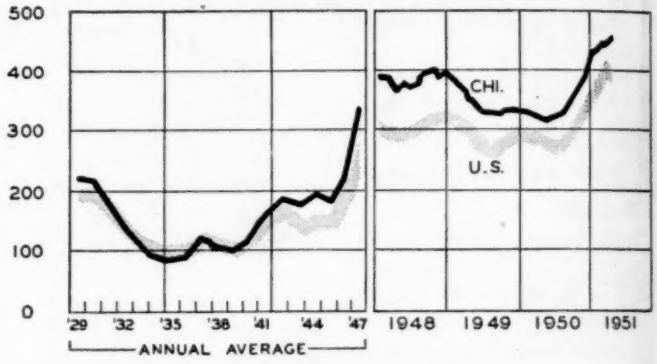

COAL PRODUCTION



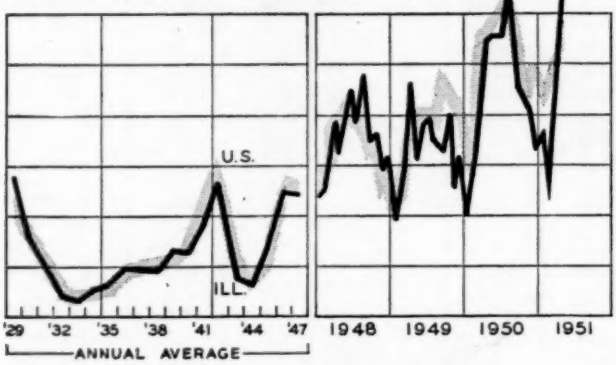

AVG. WKLY. EARNINGS – MANUFACTURING



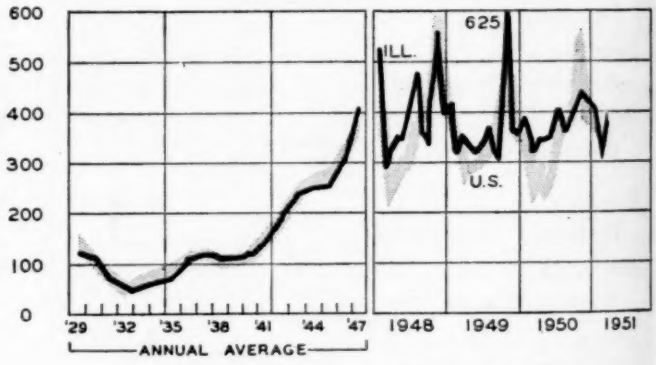

BUSINESS LOANS



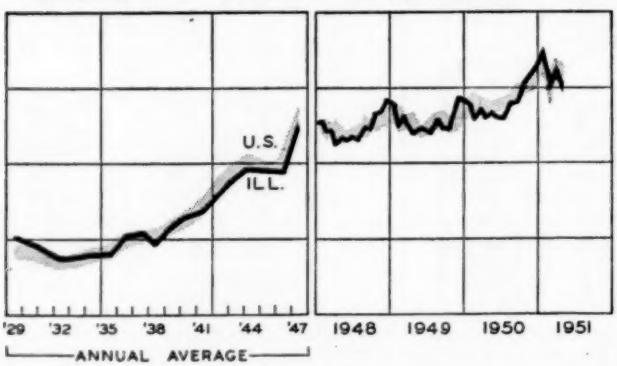

CONSTRUCTION CONTRACTS AWARDED



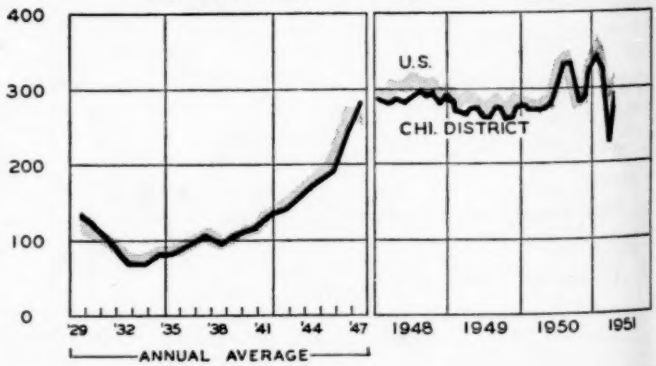

CASH FARM INCOME




ELECTRIC POWER PRODUCTION




DEPARTMENT STORE SALES




* Illinois figures being revised.